

STATE OF SOUTH CAROLINA

(Caption of Case)

In Re:

Duke Energy Carolinas, LLC's Quarterly Financial Reports

BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA

COVER SHEET

DOCKET

NUMBER: 2006 - 268 - E

(Please type or print)

Submitted by: Charles A. Castle

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NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

**DOCKETING INFORMATION** (Check all that apply)

- ☐ Emergency Relief demanded in petition ☐ Request for item to be placed on Commission's Agenda expeditiously
- ☒ Other: Quarterly Report for Twelve Months Ending December 31, 2010.

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)			
<input checked="" type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input type="checkbox"/> Request	
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification	
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation	
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement	
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment	
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter	
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response	
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery	
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition	
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation	
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena	
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff	
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other:	
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest		
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit		
	<input type="checkbox"/> Late-Filed Exhibit	<input checked="" type="checkbox"/> Report		

South Carolina

CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, Catherine E. Heigel, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Carolinas, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

Catherine E. Heigel  
Signature of President

Catherine E. Heigel  
Typed or Printed Name of Person Signing

President, Duke Energy South Carolina  
Title

February 24, 2011  
Date Signed

Subscribed and sworn to before me this 24 day of February, 2011.

Sandra D. Crawley  
Notary Public

My Commission Expires: 09/08/2020

CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, James D. Wiles, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Carolinas, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

James D. Wiles  
Signature of Person Making Verification

James D. Wiles  
Typed or Printed Name of Person Signing

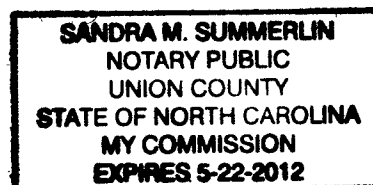
VP, Franchised Electric and Gas Accounting  
Title

2/21/11  
Date Signed

Subscribed and sworn to before me this 21 day of February, 2011.

Sandra M. Summerlin  
Notary Public

My Commission Expires: 5-22-2012



Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjs (a) (Col. 3)	As Adjusted (Col. 4)
1	Electric Operating Revenue	\$ 6,375,961	24.3661%	\$ 1,553,571	\$ 4,961	\$ 1,558,532
2	Electric Operating Expenses:					
3	Operation and Maintenance:					
4	Fuel Used in Electric Generation	1,714,513	25.0152%	428,888	(1,055)	427,833
5	Purchased Power and Net Interchange	246,128	25.5489%	62,883	(101)	62,782
6	Wages, Benefits, Materials, etc.	1,854,440	24.2284%	449,301	(23,789)	425,512
7	Depreciation and Amortization	736,853	25.1176%	185,080	11,555	196,635
8	General Taxes	346,118	19.5191%	67,559	2,935	70,494
9	Interest on Customer Deposits	5,384	12.0542%	649	(1)	648
10	Income Taxes	451,580	24.5857%	111,024	4,796	115,820
11	Amortization of Investment Tax Credit	(7,418)	22.9981%	(1,706)	7	(1,699)
12	Total Electric Operating Expenses	5,347,598	24.3788%	1,303,678	(5,654)	1,298,024
13	Operating Income	\$ 1,028,363	24.3001%	\$ 249,893	\$ 10,615	\$ 260,508
14	Add: Customer Growth Adjustment				457	457
15	Income for Return			\$ 249,893	\$ 11,072	\$ 260,965
16	Original Cost Rate Base (b)			\$ 3,275,106	\$ 120,137	\$ 3,395,243
17	Rate of Return on South Carolina Retail Rate Base			7.63%		7.69%

Notes: (a) From Page 3, "Total Adjustments" line.

(b) From Page 4, Line 12.

Line No.	Description	Total Company Capitalization December 31, 2010		South Carolina Retail					
		Amount (Col. 1)	Ratio (Col. 2)	Per Book Embedded			Pro Forma Embedded		
				Retail Rate Base (Col. 3)	Cost/ Return % (Col. 4)	Operating Income (Col. 5)	Retail Rate Base (Col. 6)	Cost/ Return % (Col. 7)	Operating Income (Col. 8)
1	Long-Term Debt	\$ 7,762,308	46.48%	\$ 1,522,269	5.57%	\$ 84,790	\$ 1,578,109	5.57%	\$ 87,901
2	Preferred Stock	-	0.00%	-	0.00%	-	-	0.00%	-
3	Members' Equity	8,938,594	53.52%	1,752,837	9.42%	165,103	1,817,134	9.52%	173,064
4	Total	\$ 16,700,902	100.00%	\$ 3,275,106 (a)		\$ 249,893 (b)	\$ 3,395,243 (c)	(e) (f)	\$ 260,965 (d)
		=====	=====	=====		=====	=====		=====

Notes: (a) From Page 4, Line 12, Column 2.

(b) From Page 1, Line 15, Column 2.

(c) From Page 4, Line 12, Column 4.

(d) From Page 1, Line 15, Column 4.

(e) If adjusted for weather, this rate would be 7.72%.

(f) Excludes pre-tax non-firm wholesale sales profits for the total system of approximately \$20 million for the 12 months ended 12/31/10.  
A net of tax South Carolina Retail allocation of profits would amount to approximately \$3 million.

Line No.	Description	Electric Operating Revenue (Col. 1)	Fuel Used in Electric Generation (Col. 2)	Purchased Power and Net Interchange (Col. 3)	Wages Benefits Materials Etc. (Col. 4)	Depreciation and Amortization (Col. 5)	General Taxes (Col. 6)	Interest on Customer Deposits (Col. 7)	Income Taxes (Col. 8)	Amortization of ITC (Col. 9)	Net Operating Income (Col. 10)
1	To Annualize Depreciation on Year-End Plant	\$ -	\$ -	\$ -	\$ -	\$ 6,180	\$ -	\$ -	\$ (2,427)	\$ -	\$ (3,753)
2	To Annualize Wage Rate Increase	-	-	-	1,916	-	118	-	(799)	-	(1,235)
3	To Annualize Rate Case Increase	6,177	-	-	-	-	28	-	2,415	-	3,734
4	To Annualize Allen and Saluda Amortization	-	-	-	-	442	-	-	(174)	-	(268)
5	To Annualize Allen and Saluda Operating Costs	(20)	-	-	295	-	-	-	(124)	-	(191)
6	To Annualize Amortization of Rate Case Costs	-	-	-	-	1	-	-	-	-	(1)
7	To Annualize Amortization of GridSouth Investment	-	-	-	-	157	-	-	(62)	-	(95)
8	To Eliminate Incremental Voluntary Opportunity Plan and Office Consolidation Costs	-	-	-	(24,406)	-	-	-	9,585	-	14,821
9	To Eliminate Catawba Purchased Power Levelization	-	-	-	-	-	-	-	-	-	-
10	To Annualize Property Taxes on Year-End Plant	-	-	-	-	-	2,324	-	(913)	-	(1,411)
11	To Reflect CWIP Closings to Plant	-	-	-	-	5,447	732	-	(2,427)	-	(3,752)
12	To Adjust Income Taxes to Reflect Interest Synchronization	-	-	-	-	-	-	-	(1,389)	-	1,389
13	To Exclude Greenwood Operations	(1,196)	(1,055)	(101)	(1,594)	(673)	(267)	(1)	1,111	7	1,377
14	Total Adjustments	\$ 4,961	\$ (1,055)	\$ (101)	\$ (23,789)	\$ 11,555	\$ 2,935	\$ (1)	\$ 4,796	\$ 7	\$ 10,615

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Electric Plant in Service	\$ 27,368,794		\$ 6,463,783	\$ 135,511	\$ 6,599,294
2	Less: Accumulated Depreciation and Amortization	(12,472,241)		(2,847,299)	(11,627)	(2,858,926)
3	Net Electric Plant	14,896,553		3,616,484	123,884	3,740,368
4	Add: Materials and Supplies	723,664		173,715	9,023	182,738
5	Working Capital Investment	1,154,387		269,494	-	269,494
6	Plant Held for Future Use	3,127	25.6616%	802	-	802
7	Less: Accumulated Deferred Taxes	(3,379,501)	26.9693%	(911,429)	-	(911,429)
8	Operating Reserves	(372,786)	26.0069%	(96,950)	-	(96,950)
9	Customer Deposits	(86,477)		(18,654)	-	(18,654)
10	Greenwood				(12,770)	(12,770)
11	Construction Work in Progress	988,455		241,644		241,644
12	Total Original Cost Rate Base	\$ 13,927,422		\$ 3,275,106	\$ 120,137	\$ 3,395,243

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$ 14,119,286		\$ 3,240,076	\$ 83,768	\$ 3,323,844
2	Transmission	2,561,131	19.6732%	503,857	15,727	519,584
3	Distribution (b)	8,706,218	25.5351%	2,223,142	21,723	2,244,865
4	General	567,927	24.3982%	138,564	7,906	146,470
5	Intangible	390,246	24.3100%	94,869	6,387	101,256
6	Subtotal	26,344,808	23.5360%	6,200,508	135,511	6,336,019
7	Nuclear Fuel	1,023,986	25.7108%	263,275		263,275
8	Total Electric Plant in Service	\$ 27,368,794 (a)		\$ 6,463,783	\$ 135,511	\$ 6,599,294

Notes: (a) Excludes asset retirement obligations, electric plant held for future use, electric plant acquisition adjustments, and other electric plant adjustments of (\$88,930) thousand.

(b) The accounting adjustment in Col. 3 represents non-growth related additions to distribution plant.



Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$ 6,584,225		\$ 1,369,660	\$ 7,738	\$ 1,377,398
2	Transmission	1,150,138	19.5969%	225,392	612	226,004
3	Distribution	3,703,946		983,015	1,285	984,300
4	General	91,876	31.7883%	29,206	715	29,921
5	Intangible	274,988	24.9169%	68,518	1,277	69,795
6	Subtotal	11,805,174	22.6663%	2,675,791	11,627	2,687,418
7	Nuclear Fuel	667,067	25.7108%	171,508		171,508
8	Total Accumulated Depreciation and Amortization	\$ 12,472,241 (a)		\$ 2,847,299	\$ 11,627	\$ 2,858,926

The annual composite rates for computing depreciation (straight-line method) are shown below.

9	Steam Production Plant	3.57%
10	Nuclear Production Plant (Excl. Nuclear Decommissioning)	2.35%
11	Hydro Production Plant	3.44%
12	Combustion Turbines	3.62%
	Transmission Plant:	
13	Right-of-Way	1.16%
14	Other	2.03%
15	Distribution Plant	2.33%
16	General Plant	Various
17	Land Rights	0.81% - 1.88%
18	Intangible Plant	20.00%

Note: (a) Excludes accumulated depreciation of asset retirement obligations and accumulated depreciation of electric plant acquisition adjustments totaling \$79,362 thousand. Includes accumulated depreciation of cost of removal and asset retirement obligation regulatory liability totaling \$1,437,729 thousand.

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
Fuel Stock:						
1	Coal	\$ 240,366	25.7108%	\$ 61,800	\$ 9,023	\$ 70,823
2	Oil	28,519	25.7108%	7,332	-	7,332
3	Total Fuel Stock	268,885	25.7106%	69,132	9,023	78,155
4	Other Electric Materials and Supplies & Stores Clearing	454,779	22.9964%	104,583	-	104,583
5	Total Materials and Supplies	\$ 723,664		\$ 173,715	\$ 9,023	\$ 182,738

Note: (a) Adjustment to per book coal inventory balance to reflect target inventory level.

Coal Inventory Target Level (in tons)	2,948		
Price per Ton - Coal	\$ 93.44		
Total Company Pro Forma Inventory	\$ 275,461	25.7108%	70,823
Per Book Coal Inventory			61,800
Coal Adjustment			\$ 9,023
=====			

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Twelve Months Operating and Maintenance Expenses, Exclusive of Purchased Power and Nuclear Fuel Expense	\$ 3,385,019		\$ 830,810	-	\$ 830,810
		=====		=====	=====	=====
2	1/8 of O&M Expenses on Line 1	\$ 423,127		\$ 103,851		\$ 103,851
3	Less: Average Taxes Accrued	(81,065)		(26,285)	-	(26,285)
		-----		-----	-----	-----
4	Subtotal	342,062		77,566	-	77,566
5	Required Bank Balances	340	23.7906%	81	-	81
6	Bond Reacquisition Premiums	131,789	18.1571%	23,929	-	23,929
7	Pension Funding	665,692	24.7246%	164,590	-	164,590
8	Prepayments	14,504	22.9479%	3,328	-	3,328
		-----		-----	-----	-----
9	Total Working Capital Investment	\$ 1,154,387		\$ 269,494	\$ -	\$ 269,494
		=====		=====	=====	=====

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$ 3,147,635	24.8634%	\$ 782,609	\$ -	\$ 782,609
2	Transmission	128,722	19.5941%	25,222	-	25,222
3	Distribution	48,964	25.5351%	12,503	-	12,503
4	General	96,607	24.3982%	23,570	-	23,570
5	Intangible	226,106	24.3100%	54,966	-	54,966
6	Total Construction Work in Progress	<u>\$ 3,648,034</u> =====		<u>\$ 898,870</u> =====	<u>\$ -</u> =====	<u>\$ 898,870</u> =====

Duke Energy Carolinas, LLC  
FIXED CHARGES COVERAGE: SEC METHOD  
EARNINGS PER SHARE  
SC Quarterly for December 31, 2010

Page 5

Line

No.   Description

Twelve Months Ended 31-Dec-2010

1	SEC Fixed Charges Coverage	3.74
2	Earnings per Share	\$1.00

Line No.	Description	Total Company (a)	Wholesale Jurisdiction (b)	% of Total (c)	N.C. Retail (d)	% of Total (e)	S.C. Retail (f)	% of Total (g)
<u>Operating Revenues (\$000s)</u>								
1	Residential	\$ 2,669,154			\$ 2,052,759	76.9067%	\$ 616,395	23.0933%
2	Commercial	1,979,790			1,568,534	79.2273%	411,255	20.7727%
3	Industrial	1,048,305			658,218	62.7888%	390,087	37.2112%
4	Public Street & Highway Lighting	37,425			31,821	85.0275%	5,603	14.9725%
5	Interdepartmental	-			-	0.0000%	-	0.0000%
6	Sales for Resale:							
7	Special Contract	339,066	\$ 285,295	84.1416%	52,993	15.6290%	778	0.2293%
8	Other	967	967	100.0000%				
9	Total Revenue from Sales of Electricity	\$ 6,074,706	\$ 286,262	4.7124%	\$ 4,364,325	71.8442%	\$ 1,424,118	23.4434%
<u>Kilowatthour Sales (000s)</u>								
10	Residential	30,049,191			22,848,131	76.0358%	7,201,060	23.9642%
11	Commercial	27,967,731			22,110,455	79.0570%	5,857,275	20.9430%
12	Industrial	20,618,329			12,178,863	59.0681%	8,439,466	40.9319%
13	Public Street & Highway Lighting	287,179			244,897	85.2766%	42,282	14.7234%
14	Interdepartmental	-			-	0.0000%	-	0.0000%
15	Sales for Resale:							
16	Special Contract	5,865,004	4,934,911	84.1416%	916,642	15.6290%	13,451	0.2293%
17	Other	24,568	24,568	100.0000%				
18	Total KWH Sales	84,812,001	4,959,478	5.8476%	58,298,988	68.7391%	21,553,535	25.4133%
<u>Revenue Per KWH Sold (Cents)</u>								
19	Residential	8.88			8.98		8.56	
20	Commercial	7.08			7.09		7.02	
21	Industrial	5.08			5.40		4.62	
22	Public Street & Highway Lighting	13.03			12.99		13.25	
23	Interdepartmental	0.00			0.00		0.00	
24	Sales for Resale:							
25	Special Contract	5.78	5.78		5.78		5.78	
26	Other	3.94	3.94					
27	Total Revenue per KWH Sold	7.16	5.77		7.49		6.61	